

Sanitized Copy Approved for Release 2011/02/03 : CIA-RDP85T01058R000608210001-9

*file cy  
sourced*

DATE 12/17/85

DOC NO EAM 85-10221

OCR CYS 3

P&PD CY 1

Sanitized Copy Approved for Release 2011/02/03 : CIA-RDP85T01058R000608210001-9

Central Intelligence Agency

821

Washington, D.C. 20505

## DIRECTORATE OF INTELLIGENCE

13 December 1985

North Korea: Team Spirit and the North-South Dialogue [ ]

25X1

Summary

We expect P'yongyang will criticize Team Spirit 1986 as an obstacle to North-South dialogue, but we do not believe the exercise will be a major factor shaping North Korean policy toward its dialogue with the South. In past years, North Korea's response has served its immediate political, economic, and propaganda needs, rather than reflected genuine fears of a US-South Korean invasion. P'yongyang also has calibrated its reaction to justify economic sacrifices and buttress claims that Washington and Seoul are responsible for regional tensions. We expect P'yongyang to suspend the North-South talks until Team Spirit is over and perhaps to engage in harsher polemics because of its disappointment with the stalemated dialogue. But we believe it will stop short of actions that increase tensions on the peninsula. [ ]

25X1

---

This memorandum was prepared by [ ] Office of East Asian Analysis. Information available as of 13 December 1985 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Korea Branch, Northeast Asia Division, OEA, [ ]

25X1

25X1

EA M 85-10221

25X1

25X1

25X1

### P'yongyang's Actions

Although North Korea accuses the United States and South Korea of preparing for war, its diatribes against Team Spirit historically have lacked the kind of rhetorical warning that would lead us to believe it sees the exercise as a real military threat. Such hints in 1983--and to a lesser extent in 1976 and 1981--made those years stand out as exceptions. North Korea's military precautions against a surprise attack during Team Spirit, in our view, usually have reflected military prudence rather than a response to perceived US and South Korean intentions to move north. In fact, P'yongyang uses the exercise each year to justify its own military movements and reserve mobilizations--practices that improve its chances of achieving surprise, should the North opt for an invasion. [redacted]

25X1

The record shows that the level of P'yongyang's public concern over Team Spirit has varied, with its response calibrated to meet short-term economic and diplomatic needs. (See appendix.) In the last several years we believe the nature of the North's reaction has been shaped by its push for direct talks with the United States and, to a lesser degree, by the on-again-off-again bilateral dialogue with the South. At home, Team Spirit has continued to provide an opportunity to demonstrate the "threat" from the South and the need for economic sacrifices in the face of the danger from US imperialism and its southern "puppets." [redacted]

25X1

### Team Spirit 1986

North Korean and Chinese officials have stated that P'yongyang will suspend the North-South dialogue again this year unless Team Spirit 1986 is reduced in size or canceled. We take them at their word, although a shorter Team Spirit or one held farther south probably would be as welcome by North Korea as a smaller exercise. We doubt the North would go further because of Team Spirit--for example, canceling the dialogue--and we do not believe P'yongyang will abandon its goal of engaging the United States in direct talks as a result of the exercise. In our view, the dialogue probably creates an environment favorable to several other priority goals--ranging from attracting foreign capital to competing with South Korea for international attention and recognition. It probably is still too early for P'yongyang to judge whether it will gain Western and Japanese economic assistance or South Korean concessions regarding the 1988 Olympic Games with the help of the dialogue. [redacted]

25X1

North Korean propaganda might be more shrill this year if P'yongyang is unable to cite US concessions on Team Spirit or on direct bilateral contacts. P'yongyang almost certainly is disappointed with South Korea's policy of stalling on

25X1

[redacted]

parliamentary talks--the element of the dialogue P'yongyang repeatedly cites as most important. If violent student or labor demonstrations in the South occur during Team Spirit--and especially if they include anti-American themes--P'yongyang might step up agent infiltration or even attempt to assassinate South Korean officials in order to exploit the unrest. [redacted]

25X1

In addition, Team Spirit could affect other North Korean behavior having an indirect bearing on the dialogue. P'yongyang, for example, could permit--or even request--increased Soviet collection flights over the Korean peninsula once Team Spirit gets under way, although we doubt such closer cooperation necessarily would alter P'yongyang's diplomatic position. Reported Soviet opposition to North Korea's proposal for talks with South Korea and the United States has not changed P'yongyang's enthusiasm for the idea. [redacted]

25X1

25X1

## Appendix: Some Historical Comparisons

P'yongyang's ability to fine tune its response to Team Spirit has been evident since the 1970s. In 1978, the North's reaction demonstrated its concern over a reversal of US policy under the Nixon Doctrine that reduced the US military presence in Asia. P'yongyang publicly excoriated Team Spirit and the creation of the US-South Korean Combined Forces Command as contradicting President Carter's pledge to remove US troops from the peninsula. Nevertheless--probably in the hope that the President eventually would implement troop withdrawals--P'yongyang avoided charging, as in 1976, that Team Spirit was an immediate threat to peace. In fact, no major North Korean army exercises were held between the announcement of President Carter's troop withdrawal plan in 1977 and its cancellation in July 1979. [REDACTED]

25X1

North Korea's largely pro-forma attacks on Team Spirit 1979 should be seen in this context. By 1979, the North-South dialogue also was showing progress, and P'yongyang had relaxed its public opposition to direct meetings with South Koreans. Both the dialogue and the waning hope for troop withdrawals probably underlay P'yongyang's proposal in January for an end to polemics by 1 February and to military exercises by 1 March--the day Team Spirit was scheduled to begin. [REDACTED]

25X1

The assassination of President Pak Chung-hui in October 1979 and the uncertainty that followed provided an interesting test of how North Korea would approach Team Spirit during a period of political turmoil in South Korea. In 1980 the North not only soft-peddled Team Spirit but did not even call for a MAC meeting to protest an alleged December 1979 US military violation in the DMZ. We have no specific evidence explaining the motives behind this approach, but the North may have wanted to prevent Seoul from using a Northern "threat" to clamp down on domestic political opposition. The stance by P'yongyang also served to belie North Korean clandestine efforts to destabilize the South. While P'yongyang continued to call for dialogue, it also made three unsuccessful efforts in March to infiltrate agents into the South and sought to activate agent provocations during civil uprisings in Kwangju in May. [REDACTED]

25X1

North Korean leaders responded to the 1981 Team Spirit by holding mass rallies, calling on the population to make "full preparations" to defend revolutionary gains, and strongly protesting Team Spirit at the MAC. We believe P'yongyang's active response reflected the dramatic upturn in US-South Korean relations, including President Reagan's reception of Chun Doo Hwan soon after the 1981 US Presidential inauguration. The consequences of closer US-South Korean cooperation also were reflected in P'yongyang's diatribes. North Korea combined rhetorical attacks on the exercise with complaints about the US

decision to supply South Korea with A-10s and rumors that Washington would also sell Seoul F-16s. [REDACTED]

25X1

Despite Team Spirit's growth to include 157,000 troops in 1982, the exercise drew only standard North Korean rhetorical attention. In 1983, however, P'yongyang declared a "semi-war" alert and warned of "greatly endangered stability" not only on the peninsula but throughout Asia. During the exercise media commentaries warned that US war preparations were reaching a "climax" and--as in 1976--called for "combat readiness." An especially harsh press comment on 6 March warned of a response to provocation "with punishment" and to full-scale war "with full-scale war." [REDACTED]

25X1

There is reason to believe that the exaggerated response to Team Spirit 1983 may have reflected economic problems in the North rather than the military threat from the South. More than one harangue called for increased economic productivity during the "semi-war" alert. [REDACTED]

25X1

In addition, we believe P'yongyang may have reacted to the considerable change under way in the Communist world. Brezhnev's death in October 1982 and increased Sino-Soviet contacts by the end of that year represented events that directly affected North Korean equities--relations between Kim Il-song and Brezhnev by all accounts were sour and for years P'yongyang had sought to straddle the policy positions of its two Communist neighbors because of their feud. Raising the decibel level of its attacks on the "abnormality" on the peninsula caused by US and South Korean military "provocations" may have represented P'yongyang's effort to flag its policy interests during a time when the North perceived fluidity in Soviet and Chinese policy. [REDACTED]

25X1

Nevertheless, P'yongyang was careful to control the tension, even though North Korean forces engaged in unusually extensive camouflage and dispersal training. North Korean authorities ended the "semi-war" alert after Team Spirit was concluded, crediting their "restraint" with preventing war from breaking out. [REDACTED]

25X1

Team Spirit, in our view, had relatively little to do with continuing North-South tensions in early 1984. The Rangoon bombing in October 1983 still poisoned bilateral relations, and North Korea, busy attempting to repair its shattered diplomatic image, offered in January to hold tripartite talks with US and South Korean officials. In the wake of the "semi-war" alert and the Rangoon incident, we judge P'yongyang to have made a standard response to Team Spirit 1984--just as a relatively low-keyed reaction in 1982 followed the tension of 1981. [REDACTED]

25X1

We believe the more active North-South dialogue was the most important factor shaping P'yongyang's tactical approach to last

25X1

year's exercise. In late December 1984 [redacted] P'yongyang would continue the dialogue despite the exercise. But, while a 5 January Nodong Sinmun commentary reported the dates of scheduled January Red Cross and economic talks, it also warned that the United States and South Korea would face the "consequences" if they held Team Spirit. Seoul and Washington announced Team Spirit the same day, leading Nodong Sinmun to repeat its warning on 6 January. On 7 January Kim Il-song personally called Team Spirit a threat to peace that damaged the atmosphere of dialogue. [redacted]

25X1  
25X1

North Korea publicly announced postponement "for the time being" of both sets of talks on 9 January, but proposed a meeting between North Korean Politburo member Kim Hwan and South Korean Vice Premier Sin Pyong-hyon before 7 January to discuss the problem. On 10 January, after Seoul had rejected this offer, Kim telephoned Sin to tell him that dialogue was impossible as long as Team Spirit continued. [redacted]

25X1

25X1

In February, the Chinese passed to Washington a North Korean demand that Washington either reduce Team Spirit's size, shorten its duration, or move it farther away from the DMZ [redacted] P'yongyang otherwise might postpone the dialogue "indefinitely." [redacted]

25X1  
25X1  
25X1

Nevertheless, North Korea did not use Team Spirit 1985 to end the North-South dialogue. P'yongyang insisted talks were impossible during the exercise but clearly implied they could resume once it ended. In March, Chinese officers expressed their "opinion" that P'yongyang's reaction to Team Spirit 1985 in fact was milder than during the previous two years. [redacted]

25X1

25X1

25X1

SUBJECT: North Korea: Team Spirit and the North-South Dialogue

## Distribution:

Original - OEA/NEA/Korea Branch  
 1 - Donald Gregg, Assistant to the Vice President  
 1 - William Sherman, State/EAP  
 1 - James Kelly, DOD/ISA  
 1 - Gaston Sigur, NSC  
 1 - Harriet Isom, State/EAP/Korea  
 1 - Jay Taylor, State/INR/EAP/Korea  
 1 - Celia Conlon, State/EAP/Korea  
 1 - Cdr. James Auer, DOD/ISA/EAP  
 1 - Jay Sloan, DIA/DIO/Korea  
 1 - [redacted] DIA/DB-2D 25X1  
 1 - [redacted], DIA/JSI-3C  
 1 - NIO/EA (7E-62)  
 1 - C/PPS/DO (D01)  
 1 - C/EA/RR (5E18)  
 1 - OGI/IIC/PI  
 1 - OEA/NEA/Japan Branch  
 1 - OEA/NEA/STI Branch  
 1 - OEA/NEA Division  
 1 - OEA/China Division  
 1 - OEA/SEA Division  
 1 - D/OEA (4F18)  
 1 - C/Research/OEA  
 1 - FBIS Analysis Group  
 1 - DDI  
 1 - Senior Review Panel  
 1 - PDB Staff (7F30)  
 5 - CPAS/IMC/CG (7G07)  
 1 - CPAS/ILS (7G50)  
 1 - C/PES (7F-24)  
 1 - NIC/AG (7E47)  
 1 - DDO/EA Division (5D00)  
 1 - DDO/EA [redacted] (5C19) 25X1  
 1 - DDO/EA [redacted] (5C19)  
 1 - [redacted] 25X1  
 1 - [redacted]  
 1 - [redacted]  
 DDI/OEA/NA/KOREA/[redacted] (13 December 1985) 25X1

25X1